STRATEGIC SOLICITATION PLAN

ISSUED: JUNE 16, 1997

Dear Stakeholders:

Consistent with Secretary of Energy Federico Peña's May 1, 1997 commitment to involve the public in the early stages of the Contractor selection process, we are inviting your comments on the enclosed Strategic Solicitation Plan for the selection of a Contractor to manage and operate Brookhaven National Laboratory (BNL). This is the second opportunity DOE has provided community members and BNL employees to share with DOE their views on the Contractor selection process. In late May, all stakeholders were invited to participate in Information Exchanges or to provide written and oral comments on their views of the characteristics and qualifications the Department should consider in selecting a new Contractor. All comments received to date have been reviewed and considered by Source Evaluation Board members during preparation of this document.

On June 24 and June 25, 1997, DOE plans to conduct a series of Strategic Solicitation Plan Workshops. On June 24, 1997, workshops will be held during the day on the Brookhaven site for BNL employees, and in the evening for members of the local community. On June 25, 1997, a workshop will be held for potential offerors. Each workshop will be tailored to the needs and interests of the invited group, although members of the public and employees are welcome to attend any of the three workshops. Prospective offerors may attend either session scheduled at off-site locations, but may not attend the employee-focused session at BNL.

The purpose of these workshops will be to solicit comments on the Draft Strategic Solicitation Plan document, particularly the DOE's proposed procurement approach, including potential evaluation criteria and their relative importance. Specific times and locations are set forth in Section 3.3 of the document. In July, following consideration of all the comments received on the selection process, the Department will issue a Request for Proposal.

If you have any questions on the Strategic Solicitation Plan, please contact Susan Borthwick at 630/252-2270 or via fax at 630/252-0914.

Steven Silbergleid

SEB Chairman

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AGS	Alternating Gradient Synchrotron
AUI	Associated Universities, Inc.
BHG	DOE Brookhaven Group
BMRR	Brookhaven Medical Research Reactor
BNL	Brookhaven National Laboratory
Board	Source Evaluation Board
CBD	Commerce Business Daily
CH	DOE Chicago Operations Office
D&D	Decontamination and Decommissioning
DOE	U.S. Department of Energy
EPA	U.S. Environmental Protection Agency
ES&H	Environment, Safety & Health
HFBR	High Flux Beam Reactor
Home Page	Internet Web Site
IAG	Interagency Agreement
ISMS	Integrated Safety Management System(s)
ISO	International Organization for Standardization
ISO 14001	Environmental Management Systems Standard
Laboratory	Brookhaven National Laboratory
NYSDEC	New York State Department of Environmental Conservation
OSHA	Occupational Safety and Health Administration
PCB	Polychlorinated Biphenyl
RFP	Request for Proposals
RHIC	Relativistic Heavy Ion Collider
RCRA	Resource, Conservation and Recovery Act
SEB	Source Evaluation Board
SIC	Standard Industrial Classification
VPP	Voluntary Protection Program

1.0 INTRODUCTION

On May 1, 1997 Secretary Peña announced that the Department of Energy **(**DOE or Department) was terminating the current contract with Associated Universities, Inc. (AUI) for the management and operation of Brookhaven National Laboratory (Laboratory or BNL). This termination was effectuated on May 2 when DOE issued a Notice of termination for the convenience of the Government to AUI. As set forth in that notice, the termination is to be effective the later of six months from AUI's receipt of the Notice (i.e., November 2, 1997) or at the conclusion of whatever period is required for transition to a new Contractor. This termination was based on the Secretary's decision concerning AUI's unresponsiveness in addressing DOE's needs and expectations for community involvement and environmental, safety and health (ES&H) stewardship.

The responsibility to select a follow-on Contractor has been given to the Source Selection Official, Franklin G. Peters, Acting Associate Deputy Secretary for Field Management. Mr. Peters will be assisted by the Source Evaluation Board (SEB or Board**)** which he appointed on May 29, 1997. The SEB is currently attempting to identify non-DOE federal scientific advisors to participate in the Board's activities, as has been requested by members of the public and BNL employees in feedback DOE has received to date. The SEB will develop a Request for Proposals (RFP), evaluate responses by offerors to the RFP, and present its findings on the strengths and weaknesses of each offerors' proposal to the SSO, who will make the final selection, anticipated to be in early November 1997.

In furtherance of Secretary's Peña's commitment to involve the local community in the process of selecting a Contractor to manage BNL, the SEB, as part of its acquisition strategy, has developed a Stakeholder Involvement strategy which is set forth in Section 3.0 below. This document, the Strategic Solicitation Plan, is intended to (i) provide information concerning the proposed approach the SEB intends to follow and (ii) solicit comments from the public, BNL employees, and potential offerors concerning that approach, for consideration in development of an RFP. Comments should be provided to the SEB at the addresses listed in Sections 7.4 or 7.5.

2.0 OVERVIEW OF BROOKHAVEN NATIONAL LABORATORY

2.1 Location

BNL is a 5,300 acre site located close to the geographic center of Suffolk County on Long Island, about 60 miles east of New York City. The land area adjacent to the site is a combination of forest, cultivated land, and residential housing development.

2.2 Mission

BNL supports implementation of the DOE scientific and technical role as part of the national energy strategy. As a non-defense laboratory, BNL is dedicated to basic and applied investigation in a multitude of scientific disciplines, including experimental and

theoretical physics, medicine, chemistry, biology, environmental research, and engineering. BNL was originally established to bring the resources of American academia and government together to create an institution that could pursue research and build large scientific user facilities that would be beyond the scope of any single university. Annual funding for BNL is about $400 million. Further details as to the funding for the Laboratory are set forth in Attachment 1.

2.3 Major Activities/Facilities

Major BNL facilities include the High Flux Beam Reactor (HFBR), the Brookhaven Medical Research Reactor (BMRR), the Alternating Gradient Synchrotron (AGS) complex, the National Synchrotron Light Source (NSLS), and the Hazardous Waste Management Facility. The HFBR is currently shut down and a number of safety upgrades would have to be made before restart is possible. The Department's decision process on whether to restart the HFBR is described in Section 6.0 of the Draft DOE Action Plan for Improved Management of Brookhaven National Laboratory. The two reactors and the two synchrotrons (also referred to as accelerators) are used for a variety of research, most notably in high and medium energy physics, isotope production, material science, medical science, solid state physics, chemistry, biology, environmental science, and geo-science.

Experiments are conducted in a wide range of areas, such as high energy collisions, radiobiology, photochemistry, and trace chemical composition. Many of the research activities at BNL are designed and conducted by university and industry users, with BNL maintaining the facilities and ensuring that provisions are in place to perform the activities safety and effectively. The Hazardous Waste Management Facility is the central facility for the processing, neutralization, and storing of radioactive wastes, Resource Conservation and Recovery Act (RCRA) hazardous wastes, and mixed wastes generated throughout BNL. A number of major construction activities are ongoing; e.g., construction of the Relativistic Heavy Ion Collider (RHIC). Recently, the new Hazardous Waste Management Facility was completed and is currently undergoing Operational Readiness Reviews with full facility operations approval anticipated by August.

2.4 Staffing

Full-time staff of approximately 3,150 employees includes about 1,200 scientists and engineers, 460 administrative/managerial staff, 750 technical staff, and 800 support staff. Of this number, 568 are represented by various certified collective bargaining agents. In addition, the site annually supports approximately 430 residencies and 4000 collaborators, users, and visitors.

2.5 Hazards

The potential sources of radioactivity include the HFBR (a heavy water moderated reactor that operates up to 30 MWt), the BMRR (intermittent operations up to 3 MWt), operations involving irradiated spent reactor fuel, synchrotron activities, and handling

storage and/or treatment of radioactive and mixed wastes. Chemical and biological hazards include a wide variety of hazardous materials used in experiments and research, oils contaminated with polychlorinated biphenyls (PCBs), acids, caustic materials, and various chemicals and solvents used in laboratories and maintenance of BNL facilities and equipment. Construction activities and work in areas with chemical processes, heavy equipment, high energy steam, high voltage, rotating machinery, magnetic sources, and cryogenic processes also present potential hazards.

2.6 Ongoing Environmental Remediation Efforts

BNL was placed on the National Priorities List in December 1989. As a result, an Interagency Agreement (IAG) was negotiated and signed in May 1992 by DOE, the U.S. Environmental Protection Agency (EPA), and the New York State Department of Environmental Conservation (NYSDEC). The IAG sets forth the framework for site characterization and cleanup. Twenty-nine areas of concern have been divided into six operable units, which have been prioritized for assessment purposes. Remedial activities will be designed and completed as dictated by the results of the investigations of specific operable units. Investigations to date have identified chemical (e.g., volatile organic compounds) and radiological (e.g., tritium and strontium) contamination of soil and groundwater. Groundwater contamination (i.e., chemical) in excess of drinking water standards has migrated offsite. Groundwater remediation and elimination of potential sources of groundwater contamination are the primary foci of the restoration program. Sources of soil and groundwater contamination include past BNL activities and practices, BNL facilities, inactive landfills, disposal pits, underground storage tanks, and leaky sewer lines. The program also includes the decontamination and decommissioning of the Brookhaven Graphite Reactor, an inactive reactor facility. The annual environmental restoration budget for the next seven years is expected to range from $20 - 35 Million.

3.0 STAKEHOLDER INVOLVEMENT

In announcing the termination of the AUI contract, the Secretary promised that the public, particularly residents of the communities around the Laboratory, would be involved in the process of selecting a new organization to operate the Laboratory. In furtherance of this commitment, the Department has already engaged in Information Exchanges (described in Section 3.1 below), and as of June 11 has received approximately 230 pieces of correspondence from BNL employees, BNL retirees, individuals, civic groups, and other organizations. Comments received to date have been reviewed and considered by SEB members as part of the SEB's preparation of this Strategic Solicitation Plan. This Strategic Solicitation Plan is being used to solicit public comment on the SEB's proposed procurement approach, including potential evaluation criteria, their relative importance, and information to be provided by offerors (see Section 5.0 below). In addition, the SEB is specifically requesting comments, particularly from offerors, on the appropriateness of DOE specifying the use of Environmental Management System Standard ISO 14001 (developed by the International Organization for Standardization) for an environmental management system at BNL. Since the beginning of the planning process for this

procurement, as much information as possible has been disseminated in the public domain, using the Internet in addition to other vehicles. Information such as the Laboratory's Institutional Plan is considered to be useful to potential offerors and to the public in understanding the range of activities of the Laboratory and its plan for the future (refer to Section 7.0).

3.1 Information Exchanges with BNL Employees and the Community

Information Exchange meetings took place on May 28 and 29, 1997 to give employees and the public information on the SEB's proposed solicitation process (see Section 4.0) and to provide the first opportunity for them to help identify the Source Evaluation Criteria (scientific, operational and community involvement characteristics) which would be beneficial in selecting a new Contractor (refer to Section 5.3).

3.2 Strategic Solicitation Plan

This Strategic Solicitation Plan utilizes information obtained from the May, 1997 Information Exchange meetings, and other comments received to date, and is intended to provide interested parties with more explicit information as to how DOE intends to carry out the source selection process for selection of a Contractor to manage BNL. Information is provided on Stakeholder Involvement (Section 3.0); Solicitation Process (Section 4.0), including what is included in a Request for Proposals; Procurement Approach (Section 5.0), including proposed Qualification and Evaluation Criteria, and what information offerors are expected to provide; and Contract Document Elements (Section 6.0). The SEB is requesting comments from the public, BNL employees and interested offerors on DOE's proposed approach and the other information contained herein for its consideration in developing the Request for Proposals.

3.3 Strategic Solicitation Plan Workshops

To take place on June 24 and 25, these workshops will be designed to provide residents of the community, Laboratory employees, and potential offerors with a forum to discuss the Strategic Solicitation Plan and to provide feedback and comments to DOE. Each workshop will be tailored to the needs and interests of one of these three groups, although members of the public and employees are welcome to attend any of the three workshops. Prospective offerors may attend either session scheduled at off-site locations but may not attend the employee-focused session at BNL. The specific times and locations are:

Employees: June 24, 1997 11:00 a.m.-3:00 p.m. Berkner Auditorium
Brookhaven National Laboratory
Long Island, New York

Public: June 24, 1997 6:30 p.m.-10:00 p.m. Longwood Jr. High School

			198 Longwood Road Middle Island, (Long Island) New York (516) 345-2700
Prospective Offerors:	June 25, 1997	8:30 a.m.-4:30 p.m.	Radisson Hotel Islandia 3635 Express Drive North Hauppauge (Long Island) New York (516) 232-3000

Any additional information regarding these workshops will be announced on the DOE Chicago Operations Office (CH) and DOE Brookhaven Group (BHG) Home Pages.

3.4 Preproposal Conference

(Refer to Section 4.7.)

3.5 Comments Received from the Public

Comments received from the public have and will continue to be considered by the SEB up until the release date of the RFP. However, the earlier comments are received, the greater the likelihood that they can influence SEB decision-making. The SEB has established a comment management process, which provides for transmission of all comments received by DOE to the SEB for consideration. Comments may be submitted to the SEB by U.S. mail or by e-mail (see Sections 7.4 and 7.5). The SEB intends to prepare responses to issues raised by all comments relating to the SEB's activities; these responses will be posted on the CH and BHG Home Pages (see Section 7.4), and ultimately will be placed in the libraries identified in Section 7.3.

While many comments have been received to date, the most common topics, with the SEB's current position, are as follows:

3.5.1 Scientific Staff Tenure

While DOE understands and appreciates the concept of tenure at BNL, the SEB has determined that it would be inappropriate to mandate to offerors that they maintain the current tenure system at BNL. This position does not indicate that the SEB believes that a fundamental change in this system is required. Accordingly, Section 5.3.2.1 states that: "Personnel practices should include mechanisms to attract, retain, and continually motivate the very best scientific and technical talent available." The SEB will evaluate offerors' proposed systems for attracting, retaining and continually motivating the Laboratory staff, with particular emphasis on the scientific and technical staff [refer to Section 5.3.3.3.(v)].

3.5.2 Maintain Current Staff , Salaries, and Benefits and Maintain Current BNL Retiree Benefits

The DOE is committed to making the transition to the new Contractor as seamless as possible for both existing employees and retirees. Accordingly, the following decisions have been made:

(i) Qualification Criteria have been established (refer to Sections 5.2.1 and 5.2.2) that require each offeror, and its designated subcontractors, as appropriate, to agree to offer employment to virtually all Laboratory employees and to provide all retained Laboratory personnel the base salary/pay rates and benefits equivalent to those being paid at the time of the offer of employment.

(ii) Existing retiree benefits, both medical and pension, will be preserved for the first year of operation. Future changes, if any, will take into consideration prior commitments made to retirees by AUI.

4.0 SOLICITATION PROCESS

In concert with the DOE's Contract Reform Initiatives and Secretary Peña's decision that a new contract would be awarded for the management of BNL six months after the termination of the existing contract with Associated Universities, Inc. (anticipated to be in early November 1997), DOE will use a streamlined Source Selection Process which also considers input from stakeholders (as described in Section 3.0 , Stakeholder Involvement), for the selection of a Contractor. This process is described as follows:

4.1 Issuance of a Commerce Business Daily (CBD) Announcement

One of the first steps in the selection process was the on-line announcement (on May 28, 1997) and subsequent publication of an announcement in the Commerce Business Daily on May 30, 1997. The announcement generally informed the public and interested offerors about DOE's plans to seek a new Contractor to operate BNL, provided some of the key milestones as further outlined in this Section 4.0, and informed interested parties where additional information could be obtained as it becomes available. The CBD announcement was also issued to the press and posted on the CH and BHG Home Pages, which also refer readers to other sources for information. Availability of this Strategic Solicitation Plan will also be published in the Commerce Business Daily.

4.2 Information Exchanges with BNL Employees and the Community

(Refer to Section 3.1.)

4.3 Strategic Solicitation Plan

(Refer to Section 3.2.)

4.4 Strategic Solicitation Plan Workshops

(Refer to Section 3.3.)

4.5 Request for Proposals (RFP)

Information obtained from the Information Exchange meetings, the Strategic Solicitation Plan Workshops, and comments received by the SEB will be considered in development of the RFP. The RFP will contain the model contract forming the basis of the contract to be awarded to the selected offeror. The model contract describes the work to be performed and requirements or conditions for performance of that work. The RFP will also contain detailed information on qualification criteria ("go/no go" criteria depicting the minimum qualifications or commitments that an offeror must meet in order to be evaluated) and on the evaluation criteria, as well as the relative weightings (or importance) of each of the evaluation criteria. The RFP will contain detailed instructions as to proposal preparation including information required in written format and information to be presented to the SEB in an oral presentation. The request for written information will be limited to 50 pages, excluding resumes. However, each resume should not exceed three pages. It is expected that there may be staggered submission dates for some of the written information to be required, such as requiring representations and certifications, financial statements, references etc. to be submitted earlier than other parts of the proposal so that responsibility determinations and other work can be started. The RFP issuance is expected in early July and it will be available on the CH Home Page and will also be available on computer disk.

4.6 Facility Visits

A facility tour of BNL is expected to be provided for potential offerors. It is anticipated that a single tour for all potential offerors will be conducted, with each offeror limited to no more than five representatives. (Note: The number of representatives per offeror may be further limited, if necessary, to handle all requests for a tour in one session). The tour will provide an overview of BNL research and programs as well as infrastructure and support services required to support the Laboratory's mission. The facility tour is expected to be conducted on July 9th or 10th. Potential offerors interested in participating in these visits should contact Ms. Susan Borthwick at any of the addresses noted in Section 7.4 or 7.5 as soon as possible. The exact date, place and time for the visit for interested offerors will be posted on both the CH and BHG Home Pages.

4.7 Preproposal Conference

Primarily intended for prospective offerors but open to anyone interested, the preproposal conference will not be used to prequalify offerors but rather to develop or identify interested sources, provide preliminary information concerning previous questions the SEB received, and explain DOE's expectations concerning the solicitation. Answers to questions received before, during and after the preproposal conference will be reduced to writing in an amendment to the RFP which will be posted on the CH Home Page and will

be available on computer disk. Only the answers to questions appearing in the amendment to the RFP are considered the official responses to questions received. No information provided at this meeting is binding until the RFP is formally amended to reflect the official DOE position. Verbatim transcripts or recordings of the conference are prohibited.

4.8 Proposal Deadline

All offerors must have their written proposals delivered to DOE as of a particular date and time to assure fairness to all offerors**,** contemplated to be late August**.** Proposals are considered proprietary and confidential information under law and will not be available to anyone outside of the SEB.

4.9 Oral Presentations, Written and/or Oral Discussions and Negotiations

All offerors will be requested to make oral presentations to the SEB. Detailed instructions concerning preparation for these oral presentations will be contained in the RFP. These presentations will be in addition to the submission of written information, as required in the RFP. Presentations by offerors will be scheduled as close together as possible by the SEB to assure fairness to all offerors. The order in which presentations will be scheduled will be determined by a lottery of all offerors and all presentations will take place in a location to be determined at a later date. All presentations will be videotaped for use by the SEB in its evaluations. It currently is contemplated that the Source Selection Official will be present during these presentations. Videotaped information is also considered proprietary and confidential information and will not be available to anyone outside of the SEB.

Discussions will also be held with each offeror to address any significant weaknesses identified by the SEB from both written proposals and oral presentations. Directly after completion of discussions, negotiations between DOE and each offeror will take place with respect to the specifics of the offer and contract terms and conditions. The SEB believes that this entire process (presentations, discussions, negotiations) can be accomplished in no more than a total of three days for each offeror, with the end result being definitive contract documents signed by each offeror and suitable for execution by an authorized government official after selection of one of the offerors by the Source Selection Official. Negotiations are expected to be limited since performance expectations and measures in Science and Technology, ES&H, and community involvement for the first contract year will be specified by the SEB (see Section 6.5) and the SEB anticipates that there will be a fixed fee for the first year of contract performance (see Section 5.3.4.4). The selected Contractor may also be expected to assume some conditions of the current contract with AUI, such as the existing make-or-buy plan, in addition to those which will be required in the Qualification Criteria (outlined in Section 5.2 below).

A Competitive Range Determination (whereby the government typically limits the number of proposals for further consideration to those offerors which have a reasonable chance of being selected for award before conducting written or oral discussions) is not considered

necessary for this streamlined Source Selection Process. Oral presentations, discussions and negotiations are scheduled for late September.

4.10 Evaluation

During the evaluation period, the SEB analyzes, evaluates and discusses the written proposals**,** oral presentations**,** and negotiated contracts**,** and develops its findings on the various aspects of each offer, in accordance with the Evaluation Criteria contained in the RFP. The SEB will identify specific findings on the strengths and weaknesses of each proposal. Evaluations are scheduled to be completed by mid October.

4.11 Selection

The Source Selection Official makes a final selection decision, which is documented in a Source Selection Statement. A DOE Contracting Officer executes the contract previously signed by the selected offeror.

4.12 Contract Execution

With the signing of a new contract, the transition to the new contractor and its management team begins**.** Contract execution is planned for early November.

5.0 PROCUREMENT APPROACH

The SEB is governed by procurement laws and regulations designed to protect the interests of the government, assure fairness, and protect the rights of offerors. The SEB's proposed procurement approach is described as follows:

5.1 Extent of Competition

Due to the primary basic and applied research mission of BNL, competition for the role of prime Contractor is limited to nonprofit organizations (which term includes educational institutions, nonprofit organizations, not-for-profit organizations, and consortia of nonprofit organizations). This decision was based upon the fact that the primary mission of Brookhaven National Laboratory is basic research. It is the Department's belief that a nonprofit organization is more likely to promote an academic atmosphere and to pursue excellent scientific research and public service as an end in itself, and is less likely to promote financially attractive research over basic science. A nonprofit Contractor also would likely reinvest fees and royalties in research, which would incentivize Laboratory personnel to transfer technology to the private sector.

Notwithstanding the decision to limit competition, DOE is encouraging offerors to consider the benefits of adding other organizations to their proposed team through appropriate contractual arrangements (e.g., establishing a non-profit joint venture,

partnering, designated subcontractors, etc.) due to the breadth of the expected requirements.

5.2 Qualification Criteria

The Request for Proposals is expected to include several Qualification Criteria relating to the existing Laboratory workforce. Qualification Criteria are "go/no go" criteria which depict the minimum qualifications or commitments that an offeror must meet. The purpose of qualification criteria is to discourage organizations from incurring the time and expense associated with the submission of offers when they clearly are unqualified for selection or when they are unable to make fundamental commitments that the Government requires. Each offeror's response to any qualification criteria must be such as to permit the SEB to make an objective finding that the offeror either has met or has failed to meet the criteria.

The solicitation and the resulting contract will require offerors, including designated subcontractors, to agree to all of the following qualification criteria:

5.2.1 Offer employment, except for "key Laboratory Management personnel", either through its own organization or designated subcontractor(s), consistent with FY 98 appropriations, to all other Laboratory personnel currently employed by AUI at base salary/pay rates equivalent to the base salary/pay rates that they are being paid at the time of the offer of employment.

For purposes of this Section 5.2.1, the phrase "key Laboratory Management personnel" includes the following BNL personnel: (i) Laboratory Director; (ii) Deputy Laboratory Director(s); (iii) Associate Laboratory Directors; (iv) Assistant Laboratory Directors; (v) Head, RHIC Project; (vi) Directors/Heads of all BNL Departments, Divisions, and/or Offices; and (vii) any other direct reports to the Laboratory Director or Deputy Laboratory Director(s), which would traditionally be considered key management positions. The fact that a current Laboratory employee is considered "key Laboratory **should not** be construed by offerors to imply that all of these individuals should be replaced as part of its proposal. In fact, offerors are free to propose any or all of these personnel as part of their management team in accordance with the requirements set forth in Section 5.3.3.1.

5.2.2 Agree that the benefit provisions specified in the existing Personnel Appendix of the current AUI contract will be offered to all current Laboratory employees who are offered employment. Note: If an offeror or designated subcontractor(s) cannot offer any such benefit solely because the organization is legally prohibited from providing such benefit, the offeror may satisfy this Qualification Criterion by agreeing to pay a benefit package that is comparable to those that are currently paid. Comparability of benefits will be determined by DOE based on the information provided by an offeror, and as may be clarified during oral presentations, discussions or negotiations, as appropriate**.** The current AUI contract is available on the CH Home Page.

5.2.3 Recognize employees' length of service with AUI to meet service credit requirements of the selected Contractor or designated subcontractor(s) for vacation, sick leave, health insurance, severance pay, enrollment in group insurance policies or any other benefits.

5.2.4 Recognize the currently certified collective bargaining agents and their existing bargaining agreements.

5.2.5 Accept the transfer and assume responsibility and accountability for existing commercial and regulatory obligations of AUI to include, but not limited to, banking agreements, permits and licenses, subcontracts, cooperative research and demonstration agreements, purchase orders, and all other agreements.

5.3 Evaluation Criteria

5.3.1 General Expectations

High level performance expectations will be utilized by the SEB to establish the basis, i.e., final Evaluation Criteria, for selection of a Contractor for the management of BNL. These expectations will focus on the offerors' proposed approaches to the Laboratory's research mission, Laboratory operation, and community involvement, as well as the offerors' past experience and performance in such areas. The SEB's philosophy in evaluating the offerors' responses to these expectations will be predicated on an approach that actual performance and experience provide more demonstrable measures of capabilities, while proposed management approaches evidence an offeror's understanding, experience and innovation for consideration. Given the issues which have led to this contract solicitation, both past and prospective ES&H performance will be key discriminating criteria.

Regarding past experience and performance, offerors will be expected to demonstrate a corporate record of success in conducting both world class research and facility operations, including: (i) safe and efficient construction**,** management, and operation of large research facilities, including nuclear reactors and supporting infrastructure; (ii) conduct of an excellent scientific program by initiating and managing high quality multi-disciplinary scientific research; (iii) management and implementation of comprehensive, integrated ES&H programs; (iv) development and implementation of effective community involvement programs for both the local community and regulators (federal, state, local) which focus on a scientific mission, as well as ES&H and environmental management activities; (v) management and/or conduct of (a) remediation activities at an operating site or facility in response to the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act; (b) decontamination and decommissioning activities at radioactively- and chemically-contaminated facilities; and, (c) comprehensive site-wide waste management operations in accordance with RCRA; and (vi) establishment and/or maintenance of human resource systems which support diversity**,** attract and retain

outstanding employees, and continually motivate high productivity from employees in scientific research and laboratory operations.

These requirements reflect the fact that the Department places high value on the Laboratory's scientific mission**,** personnel**,** ES&H, community involvement, and asset management. In the area of proposed approach, offerors will be required to propose a vision and a plan for carrying out a forefront scientific and technological research program in physics, chemistry, biomedical and materials science, and other areas. The plan should address how integration of these diverse elements can be used to address difficult research problems not readily solved in a University setting, and which require the resources of a multi-disciplinary laboratory, especially the special features of BNL. The research program must be of the caliber to attract and retain scientists of excellent ability and reputation.

Again, the Department's focus on ES&H will need to be reflected in an offeror's proposal. Offerors will be expected to address ES&H as an integral and inherent aspect of accomplishing all work, encompassing the Laboratory's science mission, facility operations, remediation activities, decontamination and decommissioning activities (both radioactive and chemical) and waste management activities. Offerors will be required to address how their proposed approach will effect a positive and lasting change in the existing ES&H culture of the Laboratory, and how, when, and to what extent any of the offeror's corporate resources will be made available to support these activities. Offerors will also need to demonstrate experience and achievement in accomplishing integrated safety management, as well as effective environmental stewardship. They also will be required to substantiate past corporate and program results in terms of standard ES&H metrics.

Additionally, it is the Department's expectation that the Contractor will have, as one of its highest priorities, the development and implementation of a systematic approach and commitment to involving the community in all aspects of the Laboratory. Offerors will be evaluated on their strategy for community involvement, as well as on their past success in developing and implementing community involvement programs for the local community and other stakeholders.

The offeror will be expected to propose key management personnel (the Laboratory Director and other senior staff, as appropriate) who have the national standing to direct and promote cutting edge science, and who also possess the diversified, extensive management experience necessary to assure safe and reliable design, construction and operation of complex research and user facilities, such as nuclear reactors. Finally, proposals will need to address a number of general "laboratory management" areas.

The evaluation criteria proposed by the SEB in Sections 5.3.2, Technical Criteria and 5.3.3, Laboratory Management Criteria, are intended to incorporate these expectations, with particular emphasis on the management systems to be utilized to ensure the successful, safe, and environmentally-responsible execution of the Laboratory mission and

operation, with meaningful interaction and communication with the Laboratory's stakeholders**.**

5.3.2 Technical Criteria

5.3.2.1 Science

Scientists and scientific programs are central to the Laboratory mission, and must be of the highest quality to ensure excellence in the achievement of the mission. The scientific program must set benchmarks for the quality of research for those areas in which the Laboratory participates, but also has the crucial responsibility to optimize the conception, design, construction, and operation of those unique facilities for which Brookhaven is supported. This clearly includes safety considerations for operations of those facilities within the scientific programs purview. Personnel practices should include mechanisms to attract, retain, and continually motivate the very best scientific and technical talent available.

(i) Past Scientific Record

Offerors shall describe past performance in managing high-quality scientific and technological research programs. Important considerations include conduct of high-quality research programs, development of forefront research equipment, and operation of complex research facilities. Performance indicators will include management of excellent research programs as measured by peer review, quality of scientific publications, honors, awards, patents issued to staff members, and participation in scientific governance forums. Indicators of successful facility management include agreed-upon delivery of facility product (particles, neutrons, etc.), contentment of facility users, a demonstrated excellent safety record, and impact on the pertinent scientific fields.

(ii) Proposed Technical Approach

Offerors will be asked to present a plan to manage the scientific program in such a way as to achieve excellence in the research and user facility operations missions. A scientific personnel program shall be proposed to attract, retain, and continually motivate the very best scientists and technical staff. Method of deployment of the staff shall elicit scientific creativity and provide for the leadership and support of outside users needed to optimize the operations of user facilities. Facilities shall be operated to maximize user access time and optimize user productivity in accordance with funds provided and ensuring highest standards of safety. Offerors' plans should provide a vision for a maximally creative, productive, and safe Laboratory.

5.3.2.2 Operations, including ES&H

Representative evaluation criteria for Operations, including ES&H and environmental management, are outlined below.

(i) Past ES&H Performance

Offerors will be asked to provide specific information on key elements of the offeror's ES&H performance during the last five years. Offerors' will be expected to address the integration of ES&H considerations with business and facility operations, and its relationship with line program missions (ES&H elements to include management and self-assessment; identification and application of requirements and standards; and hazard analysis, work planning and control). This information should include the size, type, and complexity of operations for which the offeror has current or past responsibility.

Offerors will also be required to provide ES&H metrics and trends pertaining to current operations under its management for the past five years, to include: workplace fatalities, worker compensation claim rates, lost work day rates and case rates, total recordable incidence rates, experience modification rates (as applicable, with comparison to regional average for the same Standard Industrial Classification (SIC), average annual worker radiation effective dose equivalent for those workers with positive readings, environmental releases above EPA or state reporting limits, and any instances of ES&H regulatory compliance violations. To the extent feasible, this statistical experience should be compared with DOE and private industry in comparable industry categories (e.g., SIC code).

(ii) Past Operations Performance

Offerors will be expected to provide specific information on their corporate experience in operating multi-disciplinary user facilities and supporting infrastructure, comparable to BNL facilities. Evaluation of this information will place equal emphasis on both success in mission accomplishment, including meeting established budgets, and accomplishment of safe operations in accordance with applicable safety documentation. The evaluation will include an assessment of the overall conduct of operations culture demonstrated at other comparable facilities.

Offerors will be asked to provide metrics and trends for the last five years of operation of comparable facilities to include: (1) operating efficiency as a function of actual operating time vs. scheduled operating time, (2) accomplishment of budget goals, (3) corrective maintenance backlog trends, (4) maintenance of operator training and proficiency, (5) number of reportable facility safety documentation violations along with root cause analysis and corrective actions, (6) numbers and trends of operational occurrences reported to regulatory or safety oversight bodies along with analysis of any trends, (7) results of independent assessments of conduct of operations, (8) results of independent Quality Assurance Program assessments, and (9) safeguards and security programs and performance.

(iii) Proposed Management Approach

Offerors will describe their proposed Operations management philosophy and systems, particularly as it pertains to ES&H, including the implementation of DOE's mandated Integrated Safety Management System and the tenets of ISO 14001 for Environmental Management Systems. Offerors will discuss how their commitment to these principles, as well as worker involvement in ES&H work planning, complaint handling and training, will be manifest in the management's approach, systems and procedures for all Laboratory missions and operations. The offeror will also be asked to specify how subcontractor ES&H performance will be evaluated prior to subcontract award, the ES&H emphasis to be accorded to the award and administration of subcontracts; how flowdown of ES&H requirements will be addressed; and how subcontractor ES&H performance will be monitored. Information will also be required regarding what corporate ES&H resources will be made available by the offeror to support onsite Laboratory capabilities that already exist. Finally, the proposed management approach must reflect a considered strategy by which a lasting change can be instilled in the existing ES&H culture at the Laboratory, for both the near-term period, i.e., through September 30, 1998, as well as the long-term tenure of the Contractor.

(iv) Past and Planned Environmental Management Performance

Offerors will be expected to provide information related to past experience in conducting and managing environmental restoration and waste management activities, with a special focus on experience in this area at operating facilities similar to those located at the BNL site and within framework of a interagency agreement.

Offerors will be expected to develop plans/proposals on technical approach and program/project efficiencies related to the execution of the environmental restoration and waste management programs. These plans/proposals should cover at a minimum the following areas: (1) Technical strategies for maintaining and/or accelerating cleanup activities (including decontamination and decommissioning) to reach an "interim state" and final National Priority List delisting. ("Interim State" is defined as the state in which cleanup activities are complete, with the exception of long-term operation and maintenance of groundwater cleanup systems); (2) Technical approach to managing waste streams generated from research and laboratory operations; (3) Resources required to accomplish proposed work scope. Cost, schedule and contracting strategies should be discussed; (4) Approach to get stakeholder consensus in environmental management decisions which include balancing fiscal constraints; public perceptions; liability reductions including, but not limited to, risk; and technical feasibilities.

5.3.2.3 Community Involvement

Offerors will be expected to show demonstrated past performance in implementing an effective community involvement program within a complex and diverse organization. Past performance presentations should include, at a minimum, the climate in which such a

program was implemented, the type of organizational structure and missions, key community concerns, and how success was measured.

The SEB will also collect and analyze publicly available data pertinent to each offeror. This may include press coverage for sites managed by the offerors, and communication products developed by offerors. The SEB may also interview key stakeholders associated with offeror managed facilities.

Offerors will also be expected to present their approach to increase community input into all aspects of Laboratory activities which will result in an "ideal state" of community involvement by the close of the third year of contract performance. The offeror must define the "ideal state". Evaluation areas will include experience, resource allocations, and approach for engaging stakeholders.

5.3.3 Laboratory Management Criteria

5.3.3.1 Key Management Personnel

The SEB has not yet determined the full complement of "key management personnel" which offerors will have to identify in their offer. However, it is the intention of the SEB that any personnel proposed by an offeror will be of National Standing who have the capability to direct and promote cutting edge science and who possess diversified, extensive management experience in assuring safe and reliable operations of research and user facilities, including nuclear reactors and supporting infrastructure**.** The SEB will evaluate the credentials, as set forth in resumes**,** for the Laboratory Director, the Deputy Director(s), if any, and the first tier direct reports to the aforementioned positions who have overall responsibility for the management and administration of science and for site and facility operations. The SEB recognizes that the number and exact functions for these first tier direct reports will be a function of the organizational structure which is proposed. If, for example, an offeror proposed organizational structure does not include, the personnel with direct oversight/responsibility for the RHIC Project**,** ES&H and community involvement, then the SEB intends to require offerors to identify the specific individuals, and provide resumes, for these individuals so that the SEB can evaluate their credentials.

The SEB also intends to require offerors to provide Letters of Commitment from any individuals proposed for these positions who are not currently employed by the offeror and/or its designated subcontractors.

5.3.3.2 Organization

The SEB intends to request that each offeror propose an organizational structure designed to manage the scientific and user missions of the Laboratory effectively, to effect the environment, safety and health management culture changes at BNL in a timely and efficient manner, and to increase community involvement. All major functional areas

which the offeror considers essential for the operation of the Laboratory are to be reflected in the organizational structure proposed and the SEB will request that the rationale for the structure be addressed by offerors. It is anticipated that the proposed organizational network will be evaluated for clear definitions of functions, authorities and responsibilities.

5.3.3.3 Transition Plan

It is anticipated that the selected Contractor will have a two month transition period with AUI prior to assuming full responsibility for the Laboratory. The SEB intends to evaluate each offeror's plan to accomplish this transition in an effective manner. Accordingly, offerors will be required to present a Transition Plan that will set forth the expected activities during this two month period**.** At this time, the SEB has not identified all of the activities which must be performed**,** but for planning purposes the plan must address the following transition activities:

(i) Scientific Research. Explain the process and activities the Contractor will pursue during the Transition Period on assuming control of BNL's scientific program**.**

(ii) ES&H Program. Discuss the overall strategy and specific steps that will be taken during the Transition Period to initiate a concerted "culture change" in ES&H management and program implementation at BNL .

(iii) Community Involvement. Discuss the near-term activities (i.e., through September, 1998) that will be initiated to provide the local area with the community involvement necessary to instill a level of confidence within the community that BNL is a good neighbor.

(iv) Analysis of HFBR Safety Basis. By December 31, 1997 the new Contractor will review the current safety basis and the proposed upgrades to the safety basis for the HFBR and advise the Department whether or not the reactor can be operated safely if the decision is made to restart.

(v) Key Management Personnel Recruitment and Laboratory Staffing Plan. Describe the methodology, including schedule, to be utilized to recruit the balance of the key management personnel, i.e., those positions reflected on the proposed organizational structure (see Section 5.3.3.2) for which the SEB will not be evaluating proposed personnel pursuant to Section 5.3.3.1. If a teaming arrangement, e.g., designated subcontractors, is proposed, describe the process, with rationale, to be implemented to determine the assignment of existing BNL staff to the team member components**.** While the SEB expects this process to be complete within the two month transition, offerors may propose a process, with rationale, that will be complete no later than four months from the contract award. Also, describe the proposed system in hiring, retaining, and motivating staff, with particular emphasis on the scientific and technical staff.

(vi) Management Systems. Describe the process for analyzing the existing management systems (e.g., Finance, Property, Procurement, Information Management, Life Cycle Asset Management), what will determine when corrective action is needed, and how the results of any corrective actions will be measured to determine effectiveness**.**

(vii) Assignment of Existing Agreements. Discuss the plan for assuming the responsibility for existing agreements (see Section 5.2.5), including the order of preference, schedule, programmatic impact and cost implications.

(viii) Incentives. Discuss the plan for developing appropriate incentives, including an incentive compensation strategy for key management personnel, as well as other employees, as appropriate.

5.3.3.4 Proposed Contract

The SEB intends to evaluate the offeror's response to this document. Accordingly, offerors will either accept the proposed contract as presented, subject only to negotiation of fee, or provide a list of requested changes, with supporting rationale. The SEB is contemplating a common cut-off date, later than the date set for receipt of written proposals, for receipt of this information, e.g., approximately one week before the first scheduled oral proposal/presentation.

5.3.4 Cost Criteria

As stated in Section 5.4, offeror's cost information will be assessed to determine its reasonableness.

5.3.4.1. Salaries

Salary range information must be provided for those key managerial personnel specified in Section 5.3.3.1. Information shall be detailed by names, function, annual salary, and fringe benefits. Names may be excluded if not known, but functions are required.

5.3.4.2. Transition Costs

Offerors shall provide the estimated costs of all transition activities. Except to the extent, Section 5.3.4.3 applies, the SEB is not requesting any cost information for the balance of the first year of contract performance or outyears. Examples of these transition costs would include relocation/moving of key personnel, estimated home office costs which are directly in support of this activity, any subcontractor support costs, etc. It is the expectation of the SEB that offerors will not request fee for performance of any transition activities. Any other direct costs required in the performance of the transition activities set forth in Section 5.3.3.3, along with applicable indirect costs, must be provided. Proposed rates for indirect costs and fringe benefit rates should be briefly explained.

5.3.4.3 Designated Subcontractors

If an offeror includes designated subcontractors as part of its team, a separate estimate of both their transition period costs and costs for the balance of the first year, i.e., through September 30, 1998, should be provided. Cost information for these subcontractors should be in the same detail as listed in Sections 5.3.4.1 and 5.3.4.2 above.

5.3.4.4 Fee Information

For the period after the Contractor assumes responsibility for BNL through September 30, 1998, DOE will determine a maximum fixed fee utilizing the current DOE Fee Policy based on total remaining FY97 budget, less regulatory exclusions and reduced by 25% to reflect the non-profit status of the prime Contractor. The prime Contractor is at liberty to allocate this fee among its designated subcontractors, but in no case may the sum of the fees be greater than what DOE would have had to pay to a single non-profit Contractor. For subsequent periods commencing October 1998, DOE and the Contractor will negotiate appropriate fees that will recognize incentives and performance.

5.3.4.5 Cost Accounting Standards

This award is subject to Cost Accounting Standards (CAS) and submission of a Disclosure Statement is required. Offerors currently covered by these requirements must provide the name and phone number of the Federal office responsible for approving their Disclosure Statement.

5.4 Evaluation Methodology and Relative Importance of Evaluation Criteria

Proposals will be evaluated against the Technical, Business Management and Cost Criteria developed by the SEB. Both the Technical and Business Management proposals will be adjectivally rated. The Cost Proposal will neither be point scored nor adjectivally rated, but will be assessed to determine its reasonableness. The SEB's current assessment of appropriate criteria is set forth in Sections 5.3.2, 5.3.3, and 5.3.4 above.

The SEB currently contemplates that the technical criteria set forth in Section 5.3.2 will be worth approximately twice the value of the laboratory management criteria set forth in Section 5.3.3 and that cost will be the least important criteria. Within Section 5.3.2, the technical criteria set forth in Sections 5.3.2.1 and 5.3.2.2 are approximately equal and each has weighed more heavily than Section 5.3.2.3. Within Section 5.3.3, the Laboratory Management Criteria (excluding 5.3.3.4) are listed in descending order of importance with Section 5.3.3.1 worth approximately the sum of the value of Sections 5.3.3.2 and 5.3.3.3. Section 5.3.3.4 will not be adjectivally rated but will be assessed from the standpoint of acceptability to DOE.

6.0 CONTRACT DOCUMENT ELEMENTS

6.1 Contract Terms and Conditions:

All aspects of the Department's Contract Reform Initiative will be included in the contract, including the most recent changes made by Department to the provisions of the "Mega Rule" contemplated to be published in the near future. It is intended that the Contractor will assume liability for third party claims and for property as fully set forth in the draft regulation noted above. Liability will be generally based on the actions of the "Contractor's managerial personnel" as defined in the contract. A limitation on the Contractor's liability for certain contract reform risks, as had been previously done for non-profits, will be negotiated if requested. The proposed contract is scheduled to be available on the CH Home Page the week of June 23.

6.2 Statement of Work

The scope of work for the performance-based contract will differ from the AUI contract to reflect the Department's commitment to ensuring that there are major changes in the management of operations at the BNL. For the Laboratory, a positive change in management culture is the primary issue in future operation of the Laboratory. In particular, the ES&H management culture must be strengthened at all levels such that ES&H programs, issues and resources are managed effectively as an inherent part of the Contractor's mission. Significant progress needs to be achieved in the near-term to establish the ES&H framework called for in the Department's Integrated Safety Management Program and to develop the requisite management systems to assure effective ES&H performance and accountability. To accomplish these objectives, the new Contractor must act as a change agent in this regard, striking a new balance between mission and ES&H accomplishment as called for by the Secretary. In addition, the scope of work will require greater Contractor interaction and communication with the local community and regulators (Federal, state and local), on the Laboratory's scientific and technical missions as well as its ES&H and environmental management activities. A draft Statement of Work is set forth as Attachment 2 to this document.

6.3 Period of Performance

The period of performance of this contract is five years with an option to extend the contract for another five years based upon the Contractor's performance. The initial contract term will contain an "off-ramp" (see Section 6.4) after three years whereby DOE may replace the Contractor, without incurring any termination liability beyond that which would be incurred if the contract were terminated for default, if the Contractor is not performing in an excellent manner. It is also anticipated that there will be an appropriate transition period (i.e., expected to be 60 days, but no longer than 90 days) with AUI prior to the selected Contractor assuming full control of BNL.

6.4 Off-Ramp

In order to ensure that the Contractor is in fact making the desired culture changes while carrying out the scientific mission, a Departmental review of the Contractor's performance will be scheduled, approximately thirty-three months after the contract is awarded. This evaluation would be performed by highly-qualified Federal officials reporting to the Secretary, who would have the benefit of recent independent safety management evaluations and other progress reports. This evaluation would be designed to utilize top DOE management in the oversight of the changes being made at the Laboratory, and would be in addition to normal DOE operational awareness reviews, business management reviews, and the application of the full performance measurement system in years two and three. It is the expectation of DOE that the Contractor will be performing in an excellent manner at this time.

It is the current expectation of the SEB, that the Contractor will develop and implement management approaches and systems for Science and Technology, ES&H, and community involvement that at the initial three-year point of the contract period serve to demonstrate program excellence. Excellence in Science and Technology will be determined in accordance with the performance measurement process and metrics agreed upon between DOE and the Contractor for the second and third years of contract performance. The ES&H management approaches and systems shall be the same as or equivalent to those defined by the DOE Voluntary Protection Program (VPP) criteria document (as amended) for worker protection, by ISO 14001 for environmental management systems, and by the DOE Integrated Safety Management System (as described by the contractor ISMS implementation plan) for overall conduct of operations. If the Contractor achieves at least Merit recognition under the DOE or OSHA VPP, independent certification under ISO 14001, and independent DOE validation of ISMS implementation, then excellence with respect to ES&H will have been achieved. Excellence in community involvement will be determined in accordance with the same performance measurement process and metrics agreed to by DOE and the Contractor to determine if the Contractor has reached the "ideal state" for community involvement.

Finally, if, in the performance of this contract, there is a major event relevant to the Contractor's responsibilities (e.g., fatality, hazardous material overexposure, loss of control over classified or special nuclear materials, or a significant uncontrolled release to the environment) that manifests a significant managerial inadequacy for ES&H, DOE may determine that termination of the contract, whether for the convenience of the Government or for default, is appropriate.

If, after a contract performance of three years, these reviews reveal that a level of excellence has been obtained, this achieved level of performance will play a significant role in DOE's decision as to whether or not the option contained in the contract to have the Contractor continue to manage BNL for an additional five years should be exercised. Conversely, if these reviews reveal a substantive lack of implementation of requirements, substantive lack of accomplishment of stated objectives, or unresponsiveness to recommended improvements, the DOE will likely determine not to exercise the option contained in the contract, and may in fact decide to terminate the contract short of

completion of its initial term. DOE may determine: 1) not to renew the contract; or 2) not to allow expansion of work scope, (e.g., work for others), or 3) to take other action commensurate with the degree by which these criteria are not satisfied.

6.5 Performance Measures

This contract will be a performance-based contract embodying all of the issues identified in the Department's Contract Reform Initiative. As such, distinct objective and subjective performance measures will be included in the contract to ensure that the Contractor indeed does accomplish the culture changes that the Department requires of the Contractor in the operation of the Laboratory while maintaining scientific excellence and productivity. The performance measures shall require desired actions over certain periods of time, and shall focus on continuing the Laboratory's history of excellent science while correcting the major issues that the Department wants addressed in terms of the operational culture of the Laboratory. Particularly, ES&H and community involvement performance measures shall be established, building on experience gained with performance-based contracts at other DOE sites.

The Contractor will be required to have well-defined management plans to show how it will accomplish its performance objectives, e.g., annual ES&H Management Plan, annual Community Involvement Plan, etc. Established peer reviews of scientific programs and project reviews will continue to assure the fulfillment of the Laboratory's mission. In addition, the Department will establish clearly understood incentives and disincentives in the contract which will reflect the Contractor's results against its performance measures.

As indicated in Section 4.0, a streamlined selection process is needed to meet the Secretary's goal of awarding a new contract in six months. This will necessitate avoiding protracted negotiations of performance measures with each offeror. Accordingly, performance measures for the balance of the first year of the contract (through September 30, 1998) primarily will be those high level critical few necessary to maintain the high quality of scientific research and technology development while accomplishing the major ES&H and community involvement cultural changes determined to be necessary at the Laboratory. These measures would be geared to ascertaining demonstrable improvement in these areas in the short term. The Department would rely upon a suite of other performance assessment techniques such as self-assessment, peer or other external reviews, pass/fail techniques, etc., for other functional areas. Using the results of these reviews, the Department and Contractor will negotiate a full set of performance measures for the subsequent year, including, as appropriate, performance measures to improve the efficiency of operations at the Laboratory, particularly in the indirect cost accounts.

6.6 Key Personnel

The SEB currently envisions that all "key management personnel" whose credentials and capabilities are evaluated by the SEB (see Section 5.3.3.1) will be designated as Key Personnel under the terms of the contract so that their initial appointment to a position at

the Laboratory, any subsequent removal, and proposed replacement will be subject to Contracting Officer approval. In addition, the initial appointment of personnel to the remaining positions listed in the Contractor's organizational structure, see section 5.3.3.2 and section 5.3.3.3, item (v), will be subject to Contracting Officer approval.

6.7 Incentive Fees

Fixed fee(s), if any, for the balance of the first year of performance after the selected Contractor assumes responsibility for BNL during the negotiations described in Section 4.9. Thereafter, an appropriate combination of fixed, award, and incentive fees will be negotiated.

6.8 Personnel Appendix

It is anticipated that the new contract will have a Personnel Appendix which is not significantly different from the Appendix A attached to the current contract with AUI (see Section 7.1.1 below). In addition, DOE will not reimburse the Contractor for any individual's total compensation which exceeds $250K.

6.9 Cost Savings Programs

It is anticipated that the contract will contain a Cost Avoidance/Cost Reduction article. During negotiations, the offerors should be prepared to discuss any initiatives or innovative ideas for cost saving programs that the offeror proposes to implement under the resulting contract. These initiatives could be based on benchmarking, or reduction of administration infrastructure and support costs, commencing in Fiscal Year 99. Offeror should discuss the results of any similar initiatives which have been previously undertaken.

Offerors should also be prepared to describe any planned controls over indirect/overhead costs and how reductions in these areas might be achieved.

6.10 Control of Employees

DOE will require the Contractor and designated subcontractors to be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity and they will be responsible for taking such disciplinary action with respect to these employees as may be necessary. In the event the Contractor and designated subcontractors fail to remove any employee from the contract work whom DOE deems incompetent, careless, or insubordinate, or whose continued employment on the work is deemed by DOE to be contrary to the public interest, the Government reserves the right to require the Contractor and designated subcontractors to remove the employee.

7.0 OTHER INFORMATION

7.1 Internet Documents

7.1.1 Current AUI Contract

The performance-based contract previously entered into with Associated Universities, Inc. for the management and operation of Brookhaven National Laboratory. A copy of the contract is available on the CH Home Page. (See Section 7.4 below).

7.1.2. Other Documents

The Internet locations for other documents germane to the proposed solicitation will be listed on the CH and BHG Home Pages.

7.1.3 BNL Institutional Plan

The Brookhaven National Laboratory Institutional Plan is the Strategic Plan for the Laboratory. It provides detailed information about the Laboratory's missions and core competencies, initiatives, scientific and technical programs, human resources, environment, safety and health, management practices and resource projections. A copy of the plan may be requested at the addresses noted in Sections 7.4 or 7.5.

7.3 Reading Materials

Related reading materials have been placed at the following locations to allow access to all relevant information regarding this activity:

Longwood Public Library
800 Middle Country Road
Middle Island, New York 11953
Telephone: (516) 924-6400

Mastic Moriches Public Library
407 William Floyd Parkway
Shirley, New York 11967
Telephone: (516) 399-1511

7.4 Electronic Addresses

SEB e:Mail Address: brookhaven.panel@ch.doe.gov
CH Home Page: http://www.ch.doe.gov/bnlseb
Brookhaven Group Home Page: www.doe.bnl.gov
Brookhaven Group e:Mail Address: TellDOE@BNL.GOV

7.5 U. S. Mail Address

U.S. Department of Energy
SOURCE EVALUATION BOARD FOR
SELECTION OF CONTRACTOR FOR
BROOKHAVEN NATIONAL LABORATORY
9800 South Cass Avenue
Argonne, Illinois 60439

ATTN: Ms. Susan Borthwick
Executive Secretary
Building 201, Room 349

ATTACHMENT 1

CH DETAILED FUNDING BY PROGRAM, ASSISTANT SECRETARY/OFFICE
BROOKHAVEN NATIONAL LABORATORY
ESTIMATED FY 1997
(DOLLARS IN THOUSANDS)

OFFICE OF ENERGY RESEARCH			
AT - Magnetic Fusion/All Other		60	
KA - High Energy Physics			74298
KB - Nuclear Physics		40334	
KC - Basic Energy Sciences/All Other		79061	
KJ - Computational & Tech. Research		3363	
KP - Biolog. & Environ. Resch		26001	
TOTAL OPERATING		**223117**	
39KB - Nuclear Physics		65000	
39KG - Multiprogram Facilities		11132	
TOTAL PLANT			**76132**
TOTAL ENERGY RESEARCH		**299249**	
ASST SECRETARY FOR ENERGY EFFICIENCY & RENEWABLE ENERGY			
EB - Solar Energy/All Other		1865	
EC10-28 - Buildings Sector		776	
EE - Transportation			1900
TOTAL ENERGY EFFIC. & RENEW ENERGY		**4541**	
OFFICE OF CHIEF FINANCIAL OFFICER			
WN - Cost of Work for Others		500	
84 - Appropriation Reimbursements Earned	350		
88 - Special Fund Receipts Earned	1975		
TOTAL OPERATING		**2825**	
40 - Cost of RWFOFA*		38153	
60 - Cost of Reimb. Work for Non Fed Ent.	3664		
65 - 3rd Prty. Recpt. form TEC Trans Act.	532		
TOTAL WORK FOR OTHERS		**42349**	

CH DETAILED FUNDING BY PROGRAM, ASSISTANT SECRETARY/OFFICE
BROOKHAVEN NATIONAL LABORATORY
ESTIMATED FY 1997
(DOLLARS IN THOUSANDS)

TOTAL CHIEF FINANCIAL OFFICER		**45174**	
* Reimbursable Work for Other Federal Agencies			
OFFICE OF NUCLEAR ENERGY			
ST - Isotope Prod., Storage & Distr.		1300	
TOTAL NUCLEAR ENERGY		**1300**	
ASST SECRETARY FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT			
EW20 - Environmental Restoration		102	
EW4010 - Treatment and Remediation Tech Sys	1533		
EW4050 - Program Support		85	
EW4520 - Risk Policy Program		10	
EW70 - Nuclear Material & Fac Stabiliz		754	
EX - Environment Rest & Waste Mgmt-Non Def.	24175		
TOTAL ENVIRON. REST. & WASTE MGMT		**26659**	
ASST SECRETARY FOR DEFENSE			
DP - Weapons Activities		4296	
DP05 - Weapons Activities - Program Dir	1172		
TOTAL DEFENSE			**5468**
ASST SECRETARY FOR FOSSIL ENERGY			
AA - Coal			200
AC - Petroleum		690	
AZ - Innovative Clear Coal Technology		200	
TOTAL FOSSIL ENERGY			**1090**

CH DETAILED FUNDING BY PROGRAM, ASSISTANT SECRETARY/OFFICE
BROOKHAVEN NATIONAL LABORATORY
ESTIMATED FY 1997
(DOLLARS IN THOUSANDS)

OFFICE OF NONPROLIFERATION & NATIONAL SECURITY		
GC - Verification & Control Techn		4280
GJ - Exprt. Cntrl, Nonproliferation		8458
GD - Nuclear Safeguards & Security		725
ND - Emergency Management		250
TOTAL NONPROLIFERATION & NATIONAL SECURITY		**13713**
ASST SECRETARY FOR ENVIRONMENT, SAFETY & HEALTH		
HC - Environment, Safety and Health (Non-Defens)	700	
HD - Environment, Safety and Health (Defense)	2110	
TOTAL ENVIRON, SAFETY & HEALTH		**2810**
ASST SECRETARY FOR POLICY, PLANNING & PROG. EVAL.		
PE04 - Office of Environmental Analysis		90
TOTAL POLICY, PLANNING & PROG. EVAL.		**90**
GRAND TOTAL		**400094**

STATEMENT OF WORK

1.0 GENERAL

The Contractor shall provide the intellectual leadership and management expertise necessary and appropriate to manage, operate, and staff the Brookhaven National Laboratory (BNL, or the Laboratory); to accomplish the missions assigned by the Department of Energy (DOE or the Department) to the Laboratory; and to perform all other work described in this Statement of Work. DOE missions are assigned through strategic planning, program coordination, and cooperation between the Contractor and DOE.

Inasmuch as the assigned missions of the Laboratory are dynamic, this Statement is not intended to be all-inclusive or restrictive, but is intended to provide a broad framework and general scope of the work to be performed at the Laboratory. This Statement does not represent a commitment to, or imply funding for, specific projects or programs. All projects and programs will be authorized individually by DOE and/or other work sponsors in accordance with the provisions of this contract.

Work under this contract shall be conducted in a manner that protects the environment and assures the safety and health of employees and the public. In performing the contract work, the Contractor shall implement appropriate program and project management systems to track progress and maximize cost-effectiveness of work activities; develop integrated plans and schedules to achieve program objectives, incorporating input from DOE and stakeholders; maintain sufficient technical depth to manage activities and projects throughout the life of a program; utilize appropriate technologies to reduce costs and improve performance; and maintain Laboratory facilities as necessary to accomplish assigned missions.

2.0 MISSION AND MAJOR PROGRAMS

The Laboratory's mission statement will be documented annually and updated as necessary in the Institutional Plan. In support of major DOE sponsor organizations, the central mission of the Laboratory is to provide national scientific leadership and technological innovation to support DOE's objectives and programs.

2.1 Laboratory Goals

The Laboratory's mission addresses four distinct goals: (i) performance of multi-disciplinary research in the energy sciences, general sciences, biosciences and computational sciences in a manner that ensures employee and public safety and protection of the environment; (ii) development and safe and effective operation of unique national experimental facilities that are available to qualified investigators; (iii) assistance in the education and training of future generations of scientists and engineers to promote national science and education goals; and (iv)

transfer of knowledge and technological innovations and fostering of productive relationships among Laboratory research programs, universities, and industry to promote national economic competitiveness.

2.2 Primary Program Sponsors

Work under this contract includes scientific and technical programs sponsored by major DOE organizations. Primary DOE sponsors include:

Energy Research
Energy Efficiency and Renewable Energy
Nuclear Energy
Environmental Management
Fossil Energy
Defense Program
Environment, Safety and Health
Other DOE Laboratories

Additionally, the Contractor may be authorized to pursue other DOE and non-DOE missions (most notably those of the Nuclear Regulatory Commission and National Institutes of Health) that derive from the Laboratory's missions and utilize the

A summary of current Laboratory programs follows. Descriptions of major programs are to be updated annually in the Institutional Plan.

2.3 Energy Research Programs

2.3.1 Basic Energy Sciences. The Contractor shall conduct research in broad areas of materials sciences, geosciences, chemical sciences, and biosciences. Programs in materials sciences currently emphasize forefront research projects in the characterization and fundamental properties of advanced materials and the chemistry and physics of surfaces and condensed matter. Programs in chemical sciences currently emphasize chemical physics, dynamics and mechanisms of chemical reactions, catalysis, electrochemistry, and photochemistry. Programs in geosciences currently emphasize the geochemistry of sulfur in sediments and fluid-rock interactions. Programs in biosciences currently emphasize molecular plant genetics and energy conversion during photosynthesis. Programs that take advantage of the unique scientific user facilities in materials sciences and related disciplines available at the Laboratory - for example, the National Synchrotron Light Source - are to be encouraged. The Contractor shall manage all aspects of designated scientific user facilities, which serve the needs of academic, industrial, and government scientists.

2.3.2 Computational and Technology Research. The Contractor shall conduct computational research including applied mathematical sciences, computer sciences, and computational sciences. The research shall emphasize both excellence and relevance, such that advances in mathematics and computer science help the Department to solve its most pressing mission-related problems. Teaming and collaboration, which bring different skills together to focus on common problems, shall be actively encouraged. To this end, the Contractor shall create and maintain an environment that reinforces collaboration with the best researchers, irrespective of where they are located, be that within the Laboratory, at other laboratories, or at universities, within the U.S. or around the world.

The Contractor shall conduct programs in technology research, employing various modes of working with industrial partners, such as multi-year, cost-shared, cooperative research and development agreements and quick response projects which allow access by small businesses to the Laboratory's research capabilities. These projects are implemented through a variety of flexible mechanisms, such as personnel exchanges and technical assistance to and consultations with small businesses. Research topics shall be chosen that emphasize both excellence in basic research and relevance to industrial partners. The Contractor shall also conduct innovative research to explore the scientific feasibility of novel energy-related concepts in a principal-investigator mode. In this case, research topics shall be chosen such that within three years they can be taken from basic concept to the point that choices can be made about their value for development.

The Contractor shall devote appropriate attention to the management of information systems that support major experiments and other scientific data-intensive resources so as to assure their timeliness, utility, cost-effectiveness, and responsiveness to customers.

2.3.3 High Energy and Nuclear Physics. The Contractor shall conduct Nuclear Physics research in the areas of relativistic heavy ions, structure of nuclei using medium energy probes, and solar neutrinos, and shall support efforts in nuclear data storage, evaluation and dissemination. Research in High Energy shall include investigation into the fundamental properties of matter and energy and the basic forces of nature using primarily hadron beams. In both areas, work shall include research into forefront technologies for accelerator and detector design and construction. Work shall include operation of the AGS accelerator and its various injectors for basic research and completion of the RHIC project for relativistic heavy ion research, scheduled for completion in FY 1999. The Contractor shall support transition of the AGS from a facility primarily operated for fundamental research to a facility whose primary purpose is the injection of particles into the RHIC ring in FY 1999.

2.3.4 Biological and Environmental Research. The Contractor shall conduct programs on structural biology, nuclear medicine and functional imaging, molecular and cellular biology, atmospheric science, marine bioscience, and bioremediation that build on the unique facilities and expertise available at the Laboratory.

2.4 Environmental Management

The Contractor shall support the DOE's Environmental Management Program (EM) in accordance with DOE program goals, initiatives, strategies, guidance letters, and approved project baselines in areas such as: (i) Environmental remediation and facility deactivation, decommissioning, decontamination, and demolition within the bounds of the CERCLA interagency agreement, (ii) Storage, treatment, and disposal of all regulated waste streams generated on site or existing from previous operations in accordance with applicable regulations and best management practices; (iii) Construction and maintenance of facilities to provide adequate protection of the public, employees, the environment and Government-owned materials, facilities, and equipment in support of the overall EM mission; (iv) Implementation of waste minimization and pollution prevention initiatives; (v) Research and development tasks to support technologies to reduce costs and improve efficiencies in environmental arena. Deployment of technologies in demonstration programs and to the commercial sector should be emphasized as a final goal for any research and development.

The environmental management program shall be conducted in a manner which leads to increasing DOE, regulatory and public confidence in clean up efforts. Program elements will include: (i) implementing comprehensive project management systems to track progress, maintain regulatory compliance, and increase cost effectiveness of work activities; (ii) developing integrated plans and schedules for incorporating input from DOE, regulators, and other stakeholders on decisionmaking and priority setting of environmental clean up and waste management activities; (iii) maintaining technical depth to propose and implement clean up activities commensurate with commercial practices in the areas of cost, implementability, schedule and public acceptability.

Specific responsibilities include:

2.4.1 Environmental Restoration. The Contractor shall establish and maintain systems to effectively manage and implement environmental restoration program. The systems must ensure that the technical approach is consistent with DOE cleanup strategies to complete all cleanup decisons by the end of FY 1998; to implement an overall system to effectively manage all groundwater cleanup activities; to expedite final disposition of facilities awaiting decomissioning and decontamination; and to achieve delisting from the National Priority Listing.
Contractor support shall be provided to DOE as requested by the Contracting Officer.

2.4.2 Waste Management. Based on DOE funding guidance and other guidance documents, all waste management activities shall be managed in an integrated manner such that waste is managed consistently and in compliance with all applicable regulatory requirements. Plans for all waste, whether generated by processing, manufacturing, research activities, or site clean-up activities, shall be fully implemented to provide appropriate characterization, treatment, storage, transportation, disposal and technology development. Waste management activities include: (A) timely characterization, consolidation, segregation and storage of waste; (B) treatment that complies with storage

and/or disposal criteria; (C) efficient shipment of waste for treatment, storage and/or disposal; (D) maintaining sufficient and compliant waste storage space at the Laboratory to accommodate waste generation and waste backlog; and (E) implementation of waste minimization and pollution prevention programs.

Based on DOE funding guidance and other guidance documents, the Contractor shall provide responsive and complete waste management services for characterization, treatment and storage through the appropriate use of existing facilities, new facilities, other DOE facilities, and private sector capabilities.

The Contractor's short and long range plans and activities for treatment, storage and disposal must be coordinated and integrated with DOE's national waste management program and the DOE, EM and CH Strategic Plans.

The Contractor shall fully integrate all research, environmental remediation, and operations activities so that all regulatory requirements and Federal Facility Agreements or consent orders related to the generation, characterization, treatment, storage and disposal of hazardous waste are met.

2.4.3 Environmental Technology Development. Where appropriate, the Contractor shall conduct research and development of technology to resolve complex and diverse environmental problems associated with the Department’s missions. The Contractor shall identify technology needs and application/insertion points for technologies that can reduce costs and improve performance and conduct research and development activities to support development and deployment of needed technologies. The Contractor shall require that technology development efforts are coupled with technology deployment initiatives and that practical deployment of BNL developed technology to the commercial sector is a primary goal for technology development.

2.5 Technology Transfer Programs

The Contractor shall contribute to U.S. technological competitiveness through research and development partnerships with industry that capitalize on the Contractor's expertise and facilities. Principal mechanisms to effect such contributions are: cooperative research and development agreements, access to user facilities, reimbursable work for non-DOE activities, personnel exchanges, licenses, and subcontracting.

The Contractor shall cooperate with industrial organizations to assist in increasing U.S. industrial competitiveness, by assisting in the application of energy science and technology R&D. Such cooperation may include an early transfer of information to industry by arranging for the active participation by industrial representatives in the Contractor's programs.

Cooperation with industrial partners may include long-term strategic partnerships aimed at commercialization of Laboratory inventions or the improvement of industrial products.

The Contractor shall respond to specific near-term technological needs of industrial companies with special emphasis given to working with small, small disadvantaged and women-owned businesses. The Contractor may also capitalize on its location in the Northeast by developing productive relationships with regional and local companies and through forums such as conferences, workshops, and traveling presentations.

Cooperation may also include use by industrial organizations of Laboratory facilities and other assistance as may be authorized, in writing, by the Contracting Officer;

2.6 University and Science Education Program

The Contractor shall work with colleges and universities, with special emphasis on Historically Black Colleges and Universities/Minority Institutions, and initiate new programs to enhance science and mathematics education at all levels. The Contractor shall encourage participation by a diverse group of faculty and students in Laboratory programs to bring their talents to bear on important research problems and contribute to the education of future scientists and engineers. The Contractor shall also conduct programs for precollege students and faculty to enrich mathematics and science education. A particular purpose of these programs is to encourage members of under-represented societal groups to enter careers in science and engineering.

The Contractor shall maintain its programs of cooperation with the academic and educational community and with nonprofit research institutions for the purpose of promoting research and education in scientific and technical fields of interest to DOE's programs. This cooperation may include, but is not limited to, such activities as: (i) joint experimental programs with colleges, universities, and nonprofit research institutions; (ii) interchange of college and university faculty and Laboratory staff; (iii) student/teacher educational research programs at the pre-collegiate and collegiate level; (iv) post-doctoral programs; (v) arrangement of regional, national, or international professional meetings or symposia; (vi) use of special Laboratory facilities by colleges, universities, and nonprofit research institutes; or, (vii) provision of unique experimental materials to colleges, universities, or nonprofit research institutions or to qualified members of their staffs.

2.7 International Collaboration

In accordance with DOE policies, and in consultation with DOE, the Contractor shall maintain a broad program of international collaboration in areas of research of interest to the Laboratory and to DOE.

2.8 Other Programs

The Contractor is responsible for the conduct of such other programs and activities as the Parties may mutually agree, including: (i) The providing of the facilities of the Laboratory to the personnel of public and private institutions for the conduct of research, development, and demonstration work, either within the general plans, programs and

budgets agreed upon from time to time between DOE and the Contractor, or as may be specifically approved by DOE. The Laboratory facilities shall be made available on such other general bases as DOE may authorize or approve; (ii) The conduct of research and development work for non-DOE sponsors which is consistent with and complementary to the DOE's mission and the Laboratory's mission under the contract, and does not adversely impact or interfere with execution of DOE-assigned programs, does not place the facilities or Laboratory in direct competition with the private sector and for which the personnel or facilities of the Laboratory are particularly well adapted and available, as may be authorized, in writing, by the Contracting Officer; (iii) The dissemination and publication of unclassified scientific and technical data and operating experience developed in the course of the work; (iv) The furnishing of such technical and scientific assistance (including training and other services, material, and equipment), which are consistent with and complementary to the DOE's and Laboratory's mission under this contract, both within and outside the United States, to the DOE and its installations, Contractors, and interested organizations and individuals.

3.0 ADMINISTRATION AND OPERATION OF THE LABORATORY

The Contractor is responsible for the operation, including management and maintenance, of the Laboratory including the planning in consultation with DOE and the making of recommendations to DOE for new buildings, facilities and utilities and alteration of existing buildings, facilities, and utilities on the Laboratory site and elsewhere, including the furnishing of all necessary basic design and operating criteria. When requested by DOE, the Contractor shall provide for the design, engineering, construction, and alteration, by subcontract or otherwise, of such buildings, facilities, and utilities on the Laboratory site and elsewhere as authorized or approved, in writing, from time to time by DOE. Before proceeding with other than design aspects of any project which the Contractor, acting in good faith, considers may reasonably be within the coverage of the Davis-Bacon Act (40 U.S.C. 276a and following), the Contractor shall obtain a written determination by the Contracting Officer as to the applicability of the Davis-Bacon Act to such project. When it is determined that the Davis-Bacon Act does cover a particular work project, the Contractor shall procure by subcontract the covered work in accordance with DOE approved procedures.

3.1 Strategic and Institutional Planning

The Contractor shall perform overall integrated planning, acquisition, upgrades, and management of Government-owned, leased or controlled facilities, supporting infrastructure and real property located at the site.

3.2 Protection of the Worker, the Public and the Environment

The safety and health of workers and the public and the protection and restoration of the environment are fundamental responsibilities of the Contractor. Accordingly, the Contractor shall: (i) take necessary actions, to minimize serious injuries and/or fatalities

and prevent worker exposures and environmental releases in excess of established limits;.(ii) establish clear environmental, safety, and health priorities and manage activities in proactive ways that effectively increase protection to the environment and to public and worker safety and health; and, (iii) carry out all activities in a manner that complies with human health, safety and environmental regulations; minimizes wastes; and complies with applicable regulatory requirements and DOE Directives.

The Contractor shall put in place a system that clearly communicates the roles, responsibilities, and authorities of line managers, and that holds line managers accountable for work practices and performance in a manner that ensures protection of workers, the public and the environment. Specifically, (i) the Laboratory Director shall hold direct reports accountable, for strong leadership and management of risks within their area of responsibility; (ii) line managers shall be responsible for understanding the hazards associated with, and controls necessary for, safe performance of work; and, (iii) the ES&H program shall be operated as an integral, but visible, part of how the organization conducts business, including prioritizing work and allocating resources based on risk reduction.

The Contractor shall establish effective management systems to identify deficiencies, resolve them in a timely manner, ensure that corrective actions are implemented, (addressing the extent of conditions, root causes, and measures to prevent recurrence) and prioritize and track commitments and actions.

The Contractor shall establish a structured, standards-based approach to planning and control of work including identification and implementation of ES&H standards and requirements that are appropriate for the work to be performed and related hazards.

The Contractor shall put in place an organization that supports effective ES&H management by ensuring appropriate levels of ES&H staffing and competence at every level. Specifically, Contractor shall assure that employees are trained, qualified, and involved in aspects of the organization's activities, including providing input to the planning and execution of work, and identification, mitigation/elimination of workplace hazards. Contractor shall, similarly, assure that subContractor employees are trained and qualified on job tasks, hazards, and Departmental safety policies, expectations, and requirements, and shall flow ES&H requirements down to subcontractors.

Finally, the Contractor shall promote effective environmental program management, consistent with the tenets of ISO 140001. (Environmental Systems Management).

3.3 Community Involvement

The Contractor shall have, as one of its highest priorities, the development and implementation of a systematic approach and commitment to involving the community in all aspects of the Laboratory. The Contractor shall be expected to develop and implement community involvement programs for both the local community and other stakeholders,

which focus on not only the facility's scientific mission, but also its ES&H and environmental management activities.

3.4 Maintenance

In accordance with DOE standards, the Contractor shall maintain physical assets in a manner which ensures continuity of operation, fulfillment of program requirements, and ensures the property will satisfy the requirements of current use.

3.5 Business Management

3.5.1 Human Resources Management. The Contractor shall establish and maintain human resource systems which attract and retain outstanding employees, and continually motivate them to achieve high productivity in scientific research and Laboratory operations.

The Contractor also shall create and maintain at the Laboratory an environment that promotes diversity and fully utilizes the talents and capabilities of a diverse workforce. The Contractor shall seek to recruit a diverse workforce by promoting and implementing DOE and Laboratory goals. Special consideration will be given to Historically Black Colleges and Universities/Minority Institutions as potential resource pools. The Contractor shall also strive to promote diversity in all of the Laboratory's subcontracting efforts with emphasis on the use of small, small disadvantaged and women-owned businesses.

3.5.2 Financial Management**.** The Contractor shall maintain a financial management system responsive to the obligations of sound financial stewardship and public accountability. The overall system shall include an integrated accounting system suitable to collect, record, and report all financial activities; a budgeting system which includes the formulation and executions of all resource requirements needed to accomplish projected missions and formulate short- and long-range budgets; an internal control system for all financial and other business management processes; and a disbursements system for both employee payroll and supplier payments.

3.5.3 Purchasing Management. The Contractor shall have a DOE-approved purchasing system to provide purchasing support and subcontract administration. The Contractor shall, when directed by DOE and may, but only when authorized by DOE, enter into subcontracts for the performance of any part of the work under this Contract.

3.5.4 Other Administrative Services. The Contractor shall provide other administrative services, including logistics support to the DOE-CH Brookhaven Group.

3.6 Safeguards and Security. The Contractor shall provide a safeguards and security program for the protection of Laboratory assets. The level of protection must be appropriate and cost-effective in response to the value of the assets, the potential threat

and DOE directives and standards. The Contractor shall provide all the personnel necessary for a protective force consisting of uniformed guards and security inspectors.

3.7 Legal Services. The Contractor shall maintain legal support for contract activities, including those related to patents, licenses, and other intellectual property rights; subcontracts; technology transfer; environmental compliance and protection; labor relations; and litigation and claims.

3.8 Emergency Management. The Contractor shall conduct an emergency management system to include emergency preparedness plans and procedures, and occurrence notification and reporting system, operation of an Emergency Operations Center and emergency response capabilities for local, regional, and national missions to include a Radiological Assistance Program, an Accident Response Group, and a Nuclear Emergency Response Team.

3.9 Information Resources Management. The Contractor shall maintain information systems for organizational operations and for activities involving general purpose programming, data collection, data processing, report generation, software, electronic and telephone communications, and computer security. Contractor shall provide computer resource capacity and capability sufficient to support Laboratory-wide information management requirements. The Contractor also shall conduct a records management program.

3.10 Self-Assessment Program. The Contractor shall conduct an ongoing self-assessment process that continually samples and validates actual program practice with prescribed DOE and Laboratory policies, standards and procedures.

4.0 REPORTS AND OTHER DELIVERABLES

The Contractor shall prepare, submit, disseminate, or otherwise public financial, schedule, scientific, and technical performance plans and reports; and other information and deliverables consistent with the needs of the various programmatic sponsors and other customers, or as required elsewhere in this Contract or as specifically required by the Contracting Officer.

5.0 GENERAL RESPONSIBILITIES OF THE PARTIES

5.1 DOE Responsibilities

DOE is responsible for all activities conducted under this contract and for assuring that Government funds are properly and effectively utilized. Accordingly, the proper discharge of such responsibilities requires that DOE shall have the authority to:

(i) exercise appropriate general control over the contract work;

(ii) have full access to information concerning performance of such work;

(iii) conduct periodic and other appraisals of programmatic, project and managerial objectives and milestones and consult with the Contractor regarding these and other matters of mutual interest; and

(iv) in accordance with other provisions of the contract, have the authority to review and approve major policies and procedures affecting administrative and operating areas.

5.2 Contractor Responsibilities

The Contractor shall be responsible for the diligent and vigorous performance of the contract work in accordance with its best scientific, technical, managerial and administrative judgements. Accordingly, the proper discharge of such responsibility requires that the Contractor shall:

(i) formulate and establish Laboratory policies and programs;

(ii) exercise appropriate managerial control over the programmatic and operational activities of the Laboratory;

(iii) respond, in a timely manner, to recommendations made by DOE as a result of its appraisals;

(iv) have the right to be kept continually advised, where pertinent, of DOE's current short and long-term objectives, and to confer with DOE with respect thereto and in connection with the formulation of plans or policies which may have a significant effect upon the Laboratory;

(v) establish policies and objectives for cooperative research and educational programs between the scientific and technological community and the Laboratory; and

(vi) cooperate in every reasonable way with individuals or groups whose expert or consultative services DOE may choose to use to review and evaluate the scientific, technical, or other aspects of the contract work.